

Maurice Hinchey NEWS

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HINCHEY SUPPORTS TRUE MEDICARE BENEFIT, CALLS REPUBLICAN PLAN "EMPTY PROMISE TO SENIORS"

WASHINGTON – U.S. Rep. Maurice Hinchey (D-NY) today spoke out against an industry-sponsored prescription drug plan offered by House Republicans in the early hours of this morning. The bill, which passed the House, provides no guarantee of affordable coverage prescription drug coverage to Medicare beneficiaries. Hinchey protested the Republicans' refusal to allow a vote on the House floor on a comprehensive drug package crafted by Democrats.

"In the wee hours of the morning, perhaps with the hope that the 37 million Medicare beneficiaries wouldn't be watching, the Republican majority in the House passed its empty promise to seniors," said Hinchey. "Their drug bill turns prescription coverage for the elderly over to private insurance companies, who have plainly said that they are not interested in offering such policies, without any guarantee of affordability, access to the full range of pharmaceuticals, or access to pharmacies in their communities. It does nothing to lower the outrageous price of prescription drugs, and it would force seniors to pay high deductibles for coverage with huge gaps."

The Medicare Modernization and Prescription Drug Act passed the House by a vote of 221 to 208 at 2 a.m. this morning, after the House leadership had postponed debate all week.

The Republican bill would rely on private insurance companies to offer prescription drug policies to seniors, without a guaranteed range of pharmaceuticals that would be covered, a monthly premium that's guaranteed to be affordable to seniors, and with a large liability for seniors with high drug costs. Under their plan, seniors would pay a \$250 annual deductible, would pay 20 percent of the price of a prescription up to a \$1000 per year, would pay 50 percent of costs on expenses between \$1000 and \$2000 per year, and then would be forced to pay 100 percent of drug costs up to \$3700 per year. The insurance industry has already said that it will not provide prescription-only plans.

"In effect, the Republican plan turns prescription drug coverage into a voucher system, a substantial step toward the privatization of Medicare that they've failed to accomplish in previous years," Hinchey said. "It's modeled after the Medicare HMO system, which has already failed thousands of seniors across the 26th Congressional District."

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Hinchey supported a more reliable and generous package offered by House Democrats, which the Republican majority would not bring up for a vote last night. The Democratic prescription drug plan would create a voluntary benefit under Medicare, with a guaranteed monthly premium of \$25, a \$100 annual deductible, a 20 percent co-payment on all prescriptions up to \$2000 per year in out-of-pocket spending, and then would cover all drug costs beyond \$2000. The plan is more generous in part because Democrats would restrain the costs that prescription drug companies could charge.

Hinchey said, "The plan that I vigorously support gives seniors true prescription drug coverage that is comprehensive, guaranteed and affordable. It also tackles the outrageous pricing policies of the prescription drug industry, by pooling the consumer power of Medicare's 39 million beneficiaries to negotiate fair prices."